IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF APACHE

3 | IN RE: THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE LITTLE COLORADO RIVER

SYSTEM AND SOURCE

No. 6417

APPLICATION FOR AN ORDER FOR SPECIAL PROCEEDINGS TO APPROVE AN INDIAN WATER RIGHTS SETTLEMENT AND STIPULATION

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Descriptive Summary: In accordance with the Administrative Order issued by the Supreme Court of Arizona on September 27, 2000, in which the Court adopted special procedures for the approval of Indian water rights settlements, this is an application for an order for special proceedings to approve an Indian Water Rights Settlement Agreement dated June 7, 2002, as amended, and a Stipulation dated March 1, 2006, to which the undersigned are parties. The Settlement Agreement and the Stipulation settle the claims to federally reserved and other water rights in the Little Colorado River Basin in Arizona by the Zuni Indian Tribe and the United States for the benefit of the Zuni Indian Tribe.

Statement of Claimant Numbers: Salt River Project: 39-82193 through 39-82206 and 39-87393; United States for Zuni Indian Tribe: 39-91736 through 39-91752; the Lyman Water Company: 39-89196; Round Valley Water Users' Association: 39-89112; Town of Eagar: 39-84465 through 39-84471; Arizona Game and Fish Commission: 39-80693, 39-80963, 39-83748, 39-83751, 39-83753, 39-83757, 39-83758, 39-83761, 39-83766, 39-88135, 39-88136, 39-88146, 39-88147, 39-88148, 39-88149, 39-88273, 39-88275, 39-88277, 39-88280, 39-88600, 39-89158, 39-89160, 39-89292, 39-89293, 39-89297, 39-89298, 39-91712, 39-92045, 39-92046; Arizona State Land Department: 39-86042, and numerous others; Arizona State Parks Board: 39-03-84421; St. Johns Irrigation & Ditch Company: 39-85024; City of St. Johns: 39-89123 through 39-89126 and 39-91702 through 39-91706; Town of Springerville: 39-84149; Tucson Electric Power Company: 39-080889 through 39-080913.

Date of Filing: Original sent by overnight mail for filing on March 1, 2006.

Number of Pages: 8; Exhibit A – 11; Exhibit B – 5; Exhibit C - 7

In accordance with the Administrative Order issued by the Supreme Court of Arizona on September 27, 2000, in which the Court adopted special procedures for the approval of Indian water rights settlements, this is an Application for an Order for Special Proceedings to obtain a final Judgment and Decree approving the Zuni Indian Tribe Water

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Rights Settlement Agreement of 2002, as amended ("Settlement Agreement") and a Stipulation dated March 1, 2006.

The Applicants are the Zuni Indian Tribe ("Tribe"), the United States of America in its capacity as trustee for the Tribe, the Arizona Game and Fish Commission, the Arizona State Land Department, the Arizona State Parks Board, St. Johns Irrigation & Ditch Company, the Lyman Water Company, Round Valley Water Users' Association, Salt River Project Agricultural Improvement and Power District, Tucson Electric Power Company, the City of St. Johns, the Town of Eagar, and the Town of Springerville. The Applicants are also parties to the Settlement Agreement and to the Stipulation.

The Settlement Agreement settles the rights of the Tribe and of the United States for the benefit of the Tribe to underground water and to surface water from the Little Colorado River and its tributaries in Arizona, as these terms are defined by the Settlement Agreement. The Stipulation, which summarizes and incorporates the terms of the Settlement Agreement, is attached as Exhibit A to this Application. The Settlement Agreement is attached as Exhibit 1 to the Stipulation. A proposed Judgment and Decree, which is substantially similar to the proposed Judgment and Decree attached to the Settlement Agreement as Exhibit 11.9, is attached as Exhibit B to this Application.

An Order for Special Proceedings to Approve the Settlement Agreement and the Stipulation should be issued for the following reasons:

- 1. Special circumstances prevent the consideration of the Settlement Agreement and the Stipulation in the normal course of the Adjudication. The Tribe's claims, which were filed by the United States for the benefit of the Tribe, are based on the federal reserved water rights doctrine. These claims are not subject to the doctrine of prior appropriation as are other state based water rights.
- 2. The water rights claims of the United States for the benefit of the Zuni Indian Tribe, which are described in statement of claimant numbers 39-91736 through 39-91752, are within the jurisdiction of the Court under the principles of <u>Arizona v. San Carlos Apache</u>

<u>Tribe of Arizona</u>, 463 U.S. 545 (1983) and <u>United States v. Superior Court</u>, 144 Ariz. 265, 697 P.2d 658 (1985).

- 3. The claims of the United States for the benefit of the Tribe, which are described in statement of claimant numbers 39-91736 through 39-91752, are the subject of the Settlement Agreement. All parties to the Settlement Agreement, other than the United States, the Tribe, and the State of Arizona, are claimants in this adjudication proceeding whose claims are adverse to statement of claimant numbers 39-91736 through 39-91752 by the United States for the benefit of the Tribe.
- 4. The terms of the Settlement Agreement were approved, ratified and confirmed by the United States Congress in the Zuni Indian Tribe Water Rights Settlement Act, Public Law 108-34, 117 Stat. 788 (2003) ("Settlement Act").
- 5. Section 9(a) (12) of the Settlement Act and Paragraph 3.1.K of the Settlement Agreement provide that the Settlement Agreement will not be effective unless it is approved in this proceeding on or before December 31, 2006.

The Settlement Agreement and the Stipulation should be approved for the following reasons:

- 1. The Settlement Agreement and the Stipulation are fair, adequate, reasonable, and consistent with applicable law, considering all of the circumstances surrounding the settlement and all of the consideration provided under the settlement.
- 2. The water rights of the Tribe and the United States for the benefit of the Tribe that are resolved by the Settlement Agreement and described in the Stipulation are no more extensive than the Tribe or the United States for the benefit of the Tribe would have been able to prove at trial.
 - 3. The Settlement Agreement and the Stipulation were reached in good faith.
- 4. The Settlement Act is consistent with the requirements of the United States Constitution.

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Copies of the Settlement Agreement, the Stipulation and the proposed Judgment and Decree will be mailed to and available for inspection in the offices of the Arizona Department of Water Resources and the Clerks of the Superior Court in every Arizona County located within the Little Colorado River System and Source promptly upon issuance of the Order for Special Proceedings.

Attached as Exhibit C to this Application is a proposed form of order directing that special proceedings be conducted to approve the Settlement Agreement and the Stipulation, and to adjudicate the federally reserved and other water rights of the Tribe and of the United States for the benefit of the Tribe.

WHEREFORE,

The Applicants request that this Court enter an Order for Special Proceedings to Approve an Indian Water Rights Settlement and a Stipulation, substantially in the form attached as Exhibit C to this Application.

The Applicants also request that this Court approve the Settlement Agreement and the Stipulation and enter a final judgment and decree, consistent with the proposed Judgment and Decree attached hereto as Exhibit B and which is substantially in the form of the proposed Judgment and Decree attached to the Settlement Agreement as Exhibit 11.9, adjudicating the water rights of the Tribe and the United States for the benefit of the Tribe to the water supplies within its jurisdiction as provided by the terms of the Settlement Agreement. The Judgment and Decree shall be binding upon all parties to the Little Colorado River Adjudication except to the extent that the express terms of the Settlement Agreement and the Stipulation provide that non-signing parties will not be bound by the Settlement Agreement and the Stipulation.

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1	RESPECTFULLY SUBMITTED this $\int_{-\infty}^{\infty} day$ of $\underline{\gamma}$ $\underline{\gamma}$ $\underline{\gamma}$. 2006.
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23	ORIGINAL AND ONE COPY of the foregoing
24	mailed via overnight delivery on this day of, 2006 for filing to:
25	, 2000 101 101 101
	Clerk of the Apache County Superior Court Attn: Water Case 6417
26	70 West Third South

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5	Dan Heap, President
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25	Clerk of the Apache County Superior Court
26	Attn: Water Case 6417
27	70 West Third South St. Johns, AZ 85936
c. 1 1	

1 2	AND COPIES of the foregoing sent via first-class mail on Mill , 2006 to:
3	The Hon. Eddward P. Ballinger, Jr.
4	Judge of the Superior Court 18380 N. 40 th St., Ste. 120 Phoenix, AZ 85032
5	Phoenix, AZ 85032
6	AND COPIES of the foregoing sent via first-class mail
7	this 15 day of Well , 2006 to all parties appearing on the Court-approved mailing list for this
8	Adjudication dated June 15, 2005
9	_ Cheryl Kildine
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